

18 April 1955

MEMORANDUM FOR: Deputy Chief, D/E/RR

SUBJECT: 25X1X Comments on [REDACTED] Memorandum on "Possibilities of
Pre-emption as a Weapon Against the Soviet Bloc in
Time of War"

25X1A9a 1. NSRB Study No. II on Preclusive Buying of 31 March 1949 and
the [REDACTED] Report on "The Intelligence Support for Economic Warfare"
provide background for this evaluation. The points are made that:

- a) Preclusive buying is useful only if combined with an agreement to limit production and to prohibit exports to the enemy;
- b) Preclusive buying can best be used to mop up individual non-recurring pockets of strategic materials which cannot otherwise be denied to an enemy;
- c) The preclusive buying technique is not suitable for use in peacetime or even during a period of "cold war" - NSRB.
- d) This technique can be successfully used if the volume of goods is not too large and if the neutral resources are under effective control. Its success is dependent upon the ability of the West to offer payment in acceptable form and time, usually goods required by the neutral;
- e) Enemy deficiencies can become targets only insofar as detailed and accurate information is available on such deficiencies;
- f) Premature denial will stimulate enemy efforts to correct their basic deficiencies.

2. For purposes of an evaluation of this memorandum the points might be made that:

- a) Neutrality will probably not be respected in an all-out nuclear war between the West and the Soviet bloc, so it is rather academic to speak of neutrals for a war of any duration;
- b) The statement to the effect that even a complete embargo would have only a marginal effect on the Soviet ability to wage war should be modified. As it now stands, the argument for economic defense is weakened if not demolished.
- c) Austria should be added to the three countries indicated in paragraph 5 as having manufacturing potential.
- d) The list of Soviet deficiencies is probably accurate but I have not followed this subject closely in recent months.